

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-087-C – ORDER NO. 1999-280
APRIL 14, 1999

IN RE: Application of KMC Telecom, Inc. and KMC) ORDER APPROVING ✓ MR
Telecom III, Inc. for Cancellation and Reissuance) RELIEF REQUESTED
of Certificate of Public Convenience and Necessity.) IN APPLICATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application for approval of the assignment and transfer of the Certificate of Public Convenience and Necessity currently issued to KMC Telecom, Inc., to KMC Telecom, III, Inc. (collectively the Companies).

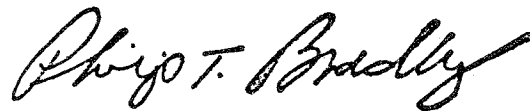
The Commission's Executive Director ordered that the Companies publish a Notice of Filing one time in newspapers of general circulation. The Companies complied with the Order of the Executive Director. No Petitions to Intervene or Protests were filed. A Motion to Dispense With Hearing (or in the alternative) Motion to Expedite Approval Process was filed by the Companies, along with the verified testimony of Tricia Breckenridge, Senior Vice President, Business Development for KMC Telecom III, Inc. Ms. Breckenridge notes that the transaction will be transparent to South Carolina customers because the transaction will not involve any change in the Companies' management or operations and because no service is currently being provided in South Carolina. KMC Telecom III, Inc., is authorized to transact business in South Carolina and has access to the same managerial, financial, and technical resources as KMC Telecom, Inc. Thus, the requested assignment of certificates is pro forma in nature.

Further, as stated in the application, on January 6, 1997, KMC Telecom, Inc., entered into a Stipulation with the South Carolina Telephone Coalition pursuant to which KMC Telecom, Inc., among other things, agreed not to provide service to customers in rural local exchange company service areas without notice to the affected rural LEC. KMC III has agreed that, upon assignment of KMC Telecom's certificates, KMC III will assume and honor all of KMC Telecom, Inc.'s obligations set forth in the January 6, 1997 Stipulation.

We grant the Motion for Expedited Review. Having carefully considered the matter, we hold that, because the assignment and transfer is a pro forma one, and the transaction is transparent to South Carolina customers, and that the new company providing the service is a member of the KMC Telecom, Inc., family of companies, the relief as requested in the Application should be granted. We further require that KMC III assume and honor all of KMC Telecom, Inc.'s obligations under the January 6, 1997, Stipulation with the South Carolina Telephone Coalition.

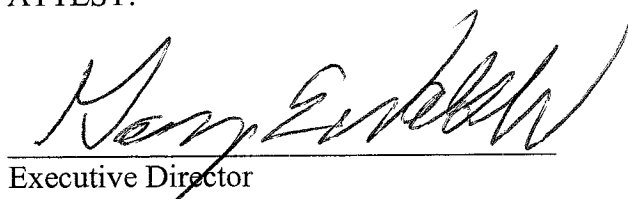
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)